

CHAPTER NO. 58

SENATE BILL NO. 141

By Cooper

Substituted for: House Bill No. 78

By Hargrove

AN ACT to amend Tennessee Code Annotated, Title 56, Chapter 6, Part 1, relative to vehicle rental companies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-6-110, is amended by deleting subdivision (8) in its entirety.

SECTION 2. Tennessee Code Annotated, Section 56-6-104(b), is amended by adding the following as new subdivision (9):

(9) An officer, director, or employee of a vehicle rental company engaged in the sale, solicitation, or negotiation of optional insurance sold in connection with and incidental to a motor vehicle rental agreement for a period not to exceed ninety (90) days;

(A) The insurance which may be offered pursuant to this subdivision is limited to:

(i) Personal accident coverage that provides protection for renters and other rental vehicle occupants for accidental death or dismemberment, and for medical expenses resulting from an accident that occurs during the rental period;

(ii) Liability coverage that provides protection to renters and to other authorized drivers of the rental motor vehicle for liability arising from the operation of the motor vehicle during the rental period. The liability protection, when purchased by a renter, shall be deemed to be primary over any other coverages which may be available to the renter or other authorized driver of the rental vehicle to the extent of the protection provided;

(iii) Personal effects coverage that provides protection to renters and other motor vehicle occupants for loss of, or damage to, personal effects in the rental motor vehicle during the rental period; and

(iv) Roadside assistance coverage.

(B) As used in this subdivision, "motor vehicle" or "rental vehicle" means a private passenger motor vehicle, including passenger vans, mini vans, and sport utility vehicles, and a cargo motor vehicle, including cargo vans, pickup trucks, and trucks with a gross vehicle weight of less than twenty-six thousand pounds (26,000 lbs.).

(C) Each person engaged in the sale of optional insurance products pursuant to subdivision (b)(9) shall give each renter who purchases such coverage brochures or other written materials that:

(i) Summarize, clearly and correctly, the material terms and conditions of coverage offered to renters;

(ii) Identify the insurer;

(iii) Describe the process for filing a claim in the event the renter elects to purchase coverage;

(iv) State that the purchase of the coverage is not required in order to rent a vehicle;

(v) Disclose that the coverage offered by the rental agreement may provide a duplication of coverage already provided by a renter's personal automobile policy or by another source of coverage; and

(vi) Itemize the cost for the coverage separately.

(D) The commissioner may seek the sanctions provided in § 56-6-112(e) against a vehicle rental company upon a finding that an officer, director, or employee of a vehicle rental company has violated §§ 56-6-112(a)(2), (4), (5), (7), (8), or (10) in connection with the sale, solicitation, or negotiation of optional insurance sold in connection with and incidental to a motor vehicle rental agreement for a period not to exceed ninety (90) days.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.

PASSED: April 4, 2005


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 14th day of April 2005


PHIL BREDESEN, GOVERNOR